

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2712 - SB 2772

March 16, 2012

SUMMARY OF BILL: Requires livestock producers to register a brand with the Department of Agriculture (TDOA) in order to offer an animal for sale at a stockyard, slaughterhouse, or packing plant when the owner provides written permission to the facility to sell or dispose of the animal. Requires registrants to pay a \$10 fee and provide a copy of the brand to be registered. Creates a Class A misdemeanor for failure to register a brand.

ESTIMATED FISCAL IMPACT:

Increase State Revenue - \$480,400/FY12-13

\$96,100/FY17-18 and Every Five Years

Increase State Expenditures - \$274,000/FY12-13

\$77,400 /FY13-14 and Subsequent Years

\$173,400/FY17-18 and Every Five Years

Assumptions:

- According to TDOA, there are approximately 81,401 farms with livestock, excluding poultry, in Tennessee. TDOA assumes 60%, or 48,840, farms will be required to register their brands (81,401 farms x 60%).
- Currently, 800 farms have registered their brands. Therefore, 48,040 farms (48,840 farms – 800 registered) will be required to register.
- TDOA will charge a \$10 initial registration fee and a \$2.00 renewal fee every five years. The one-time increase in state revenue is \$480,400 (\$10 fee x 48,040 farms) in FY12-13.
- The recurring increase in state revenue is \$96,080 (\$2 renewal fee x 48,040 farms) in FY17-18 and every five years.
- Assuming TDOA will have one year to register all brands, the Department will hire 12 part-time Administrative Services Assistant 2 employees for one year in FY12-13, and every five years to review, record, and process the registrations. They will be paid a rate of \$13.50 per hour for 20 hours per week. The recurring increase in state expenditures is \$162,000 (\$13.50 rate x 20 hours x 50 weeks x 12 employees) in FY12-13 and every five years.
- TDOA will hire two full-time Administrative Services Assistant 2 employees in FY12-13. The recurring increase in state expenditures is \$73,578 [(\$26,868 salary + \$9,921 benefits) x 2 employees] in FY12-13 and subsequent years.

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- Each part-time employee will work approximately one-half of each workday and, therefore, will share a work station and office supplies. The full-time employees will each need a work station and office supplies.
- TDOA will purchase a printer and six computers with software licenses, imagers, and work stations, resulting in a one-time increase in state expenditures of \$23,200 [(\$500 printer + \$1,000 computer + \$300 imager + \$1,100 work station) x 8 employees] in FY12-13.
- The increase in state expenditures for the part-time employees is \$11,400 [(\$800 office supplies + \$1,100 professional services) x 6 employees] in FY12-13 and every five years.
- The recurring increase in state expenditures for the full-time employees is \$3,800 [(\$800 office supplies + \$1,100 professional services) x 2 employees] in FY12-13 and subsequent years.
- The total recurring increase in state expenditures is \$77,378 (\$73,578 salaries + \$3,800 supplies) in FY12-13 and subsequent years.
- The total increase in state expenditures is \$173,400 (\$162,000 part-time employees + \$11,400 supplies) in FY12-13 and every five years.
- A small increase in cases in the court system, which will result in additional state and local government expenditures for processing the cases and additional state and local government revenue from fees, taxes and costs collected. These expenditures and revenue are estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

/sbh